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[H.R. 4596, Small Business Broadband Deployment Act](#)

FLOOR SITUATION

On Wednesday, March 16, 2016, the House will begin consideration of [H.R. 4596](#), the Small Business Broadband Deployment Act, under a [structured rule](#). H.R. 4596 was introduced on February 24, 2016 by Rep. Greg Walden (R-OR) and was referred to the Committee on Energy and Commerce, which ordered the bill reported, as amended, by voice vote on February 25, 2016.

SUMMARY

H.R. 4596 extends the temporary exemption granted to small businesses by the Federal Communications Commission (FCC) from enhanced disclosure requirements for Internet service providers (ISPs) in the Open Internet Order by five years. The current exemption, which is expiring at the end of 2016, exempts ISPs with fewer than 100,000 subscribers from certain disclosure requirements. H.R. 4596 increases the size of small businesses included within the exemption from 100,000 to 250,000 subscribers. The bill also directs the FCC to submit recommendations to the Congress on small business reporting exemptions, along with supporting data, within six months of enactment.

BACKGROUND

As part of the Federal Communications Commission's Open Internet Order (commonly known as "net neutrality" rules), the Commission adopted enhanced disclosure requirements for Internet service providers, including in the required disclosures information such as promotional rates, pricing, and performance characteristics such as packet loss.

The FCC temporarily exempted small ISPs with 100,000 or fewer subscribers from these disclosures. This exemption only covers the enhanced disclosure requirements from the 2015 Order, leaving in place certain transparency requirements which were adopted as part of the 2010 Open Internet Order.¹ While the bulk of the 2010 rules were struck down by the D.C. Circuit Court of Appeals; however, the disclosure requirements were upheld and remain in place for all ISPs, regardless of

¹ See [House Report 114-444](#) at 2.

size.² Shortly before the December 2015 expiration of the temporary exemption, the FCC extended it until December 2016.

According to Energy and Commerce Committee Chairman Fred Upton, “this bipartisan bill protects small businesses from the burdensome enhanced transparency requirements that were part of the FCC’s Open Internet Order. These companies will be able to use their resources to provide service to consumers instead of dealing with Washington red tape.”³

COST

The Congressional Budget Office (CBO) [estimates](#) that the net cost to implement H.R. 4596 would be negligible, assuming annual appropriation actions consistent with the agency’s authorities. Because enacting H.R. 4596 would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

AMENDMENTS

1. Rep. Marc Veasey (D-TX)—The [amendment](#) requires the FCC to also answer whether a permanent exemption would increase access to services offered by small internet service providers.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

² See CRS Report, [“Net Neutrality: Selected Legal Issues Raised by the FCC’s 2015 Open Internet Order.”](#) June 12, 2015.

³ See Energy and Commerce Press Release, [“Committee Approves Bipartisan Bill To Protect Small Businesses.”](#) February 25, 2016.